



# SIL MUTUAL FUND EMPLOYER LUMP SUM SCHEME

**ANNUAL REPORT**  
FOR THE 12 MONTHS  
ENDED 30 JUNE 2019



**SIL Mutual Fund ('SIL') is New Zealand's longest-established personal superannuation fund. It was established in 1959 to provide New Zealanders with an opportunity to plan and save for retirement.**

SIL comprises two registered superannuation schemes, the SIL Mutual Fund Personal Lump Sum Scheme and the SIL Mutual Fund Employer Lump Sum Scheme. This annual report is for the SIL Mutual Fund Employer Lump Sum Scheme (the **scheme**).

The scheme closed to new members on 16 September 2016. The trustee and manager of the scheme (the **trustee**) is Superannuation Investments Limited. The trustee is governed by a board of directors, which meets regularly throughout the year to oversee the administration and management of the scheme and that members' investments are managed in accordance with the trust deed. Further information about the directors of the trustee is available at [silfunds.co.nz](http://silfunds.co.nz).

ANZ New Zealand Investments Limited (**ANZ Investments**) is the investment and administration manager (the **investment manager**) of the scheme.



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**“A very strong start to 2019  
and solid annual returns  
for members for the year  
ended 30 June 2019.”**



# WELCOME

I'm pleased to present the SIL Mutual Fund Employer Lump Sum Scheme annual report for the year ended 30 June 2019.

In 2019, we celebrated our 60th year, with SIL continuing as New Zealand's longest running superannuation scheme.

It was another positive year for members. This was despite considerable volatility at the end of 2018, when share markets fell sharply due to concerns around trade and rising interest rates. However, a remarkable recovery saw a very strong start to 2019 and solid annual returns for members for the year ended 30 June 2019.

Most bond markets also gained ground over the year as long term interest rates fell and central banks moved from raising official cash rates to reducing them. Meanwhile, New Zealand shares were the standout performers, with their relatively high dividend yields and stable earnings streams in demand.

Together with the investment manager, ANZ Investments, I'm pleased to highlight the following developments during the year:

- Since becoming a signatory to the United Nations-supported Principles for Responsible Investment in 2018, ANZ Investments has completed the required reporting, which outlines their philosophy to responsible investing.
- ANZ Investments has excluded from its portfolios manufacturers of firearms, ammunition and parts for the civilian market that are now illegal in New Zealand under the amendment to the New Zealand Arms Act 1983.
- ANZ Investments formed part of the international, New Zealand-led, investor engagement with Facebook, Google (Alphabet) and Twitter. Investors have come together with the objective of influencing these companies to strengthen their controls to prevent the live streaming and distribution of objectionable content.
- We provided new easy-to-read account statements with personalised information, including the fees you paid as a dollar amount.

I'd like to remind you to contact your financial adviser to review your personal financial plan and progress. It's important to discuss any changes in your situation, as well as considerations for the future. ANZ Investments will be happy to put you in touch with an adviser in your area if you need one.

Thank you for your continued support. We appreciate having you in the scheme and look forward to helping you to achieve your financial goals.

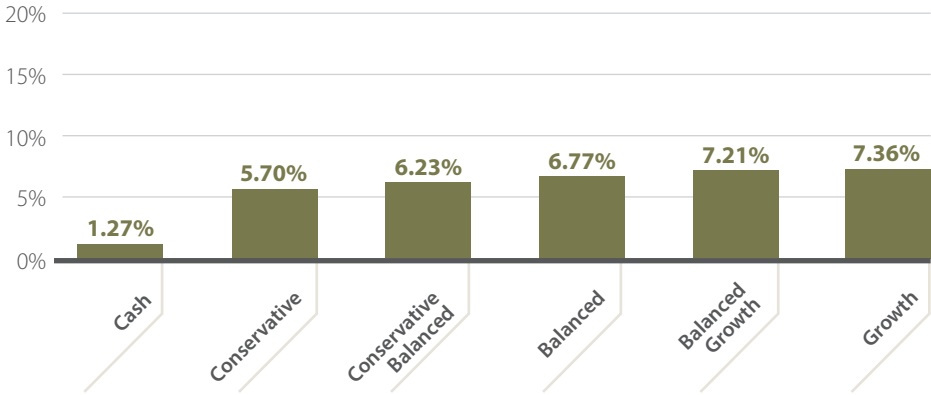


**Mark Cross**  
Chairman,  
Superannuation Investments Limited

# PERFORMANCE SUMMARY

## FUND PERFORMANCE

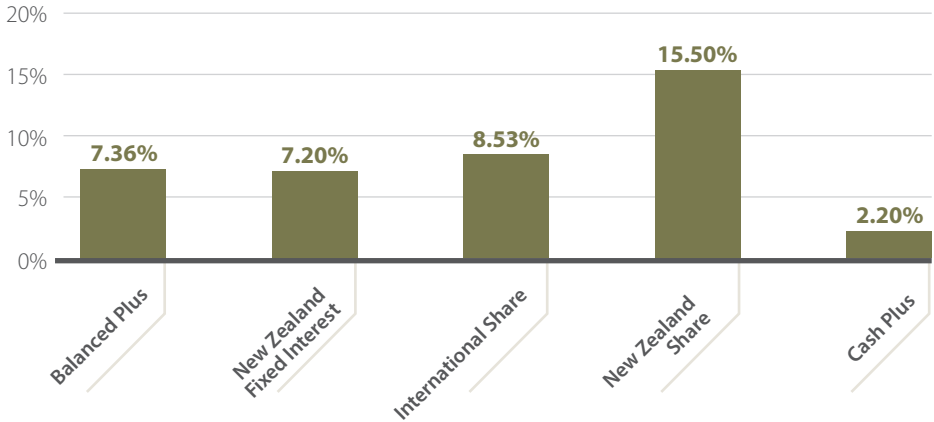
FOR THE 12 MONTHS TO 30 JUNE 2019



## HISTORICAL PERFORMANCE

AT 30 JUNE 2019

|   | 1 year (%) | 5 years (% p.a.) | 10 years (% p.a.) |
|---|------------|------------------|-------------------|
| SIL Employer Cash Fund                  | 1.27       | 1.81             | 1.97              |
| SIL Employer Conservative Fund          | 5.70       | 5.33             | 6.16              |
| SIL Employer Conservative Balanced Fund | 6.23       | 6.46             | 7.59              |
| SIL Employer Balanced Fund              | 6.77       | 7.68             | 8.99              |
| SIL Employer Balanced Growth Fund       | 7.21       | 8.80             | 10.28             |
| SIL Employer Growth Fund                | 7.36       | 9.80             | 11.44             |



### HISTORICAL PERFORMANCE

AT 30 JUNE 2019

|                                     | 1 year (%) | 5 years (% p.a.) | 10 years (% p.a.) |
|-------------------------------------|------------|------------------|-------------------|
| SIL Balanced Plus Fund              | 7.36       | 8.61             | 9.92              |
| SIL New Zealand Fixed Interest Fund | 7.20       | 5.09             | 5.31              |
| SIL International Share Fund        | 8.53       | 13.23            | 11.21             |
| SIL New Zealand Share Fund          | 15.50      | 13.67            | 14.27             |
| SIL Cash Plus Fund                  | 2.20       | 2.38             | 2.46              |

Performance is after fees (excluding administration fees charged directly to member accounts) and before tax. This is represented by changes in unit prices plus any applicable tax credits. Past performance is not indicative of future performance. Performance can be negative as well as positive. The launch date for all SIL Employer funds was June 2008.



## DETAILS OF SCHEME

### **NAME OF THE SCHEME**

SIL Mutual Fund Employer  
Lump Sum Scheme.

### **TYPE OF SCHEME**

Restricted superannuation scheme.  
The scheme is closed to new investors.

### **TRUSTEE AND MANAGER**

Superannuation Investments Limited  
(**trustee**).

### **INVESTMENT AND ADMINISTRATION MANAGER**

ANZ New Zealand Investments Limited  
(**investment manager**).

### **PRODUCT DISCLOSURE STATEMENT**

As the scheme is a restricted scheme, there  
is no product disclosure statement.

### **FUND UPDATES**

The scheme's latest fund updates for the  
year ended 30 June 2019 were made  
publicly available on 26 September 2019.  
These are available on the offer register at  
[disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

### **FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

The scheme's latest financial statements for  
the 12 months ended 30 June 2019, and the  
auditor's report on those financial statements,  
were dated 23 October 2019 and lodged with  
the Registrar on 29 October 2019. See page 14  
for more details.



# INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

The information in this document relates to the 12 months from 1 July 2018 to 30 June 2019 (the **year**).

## MEMBERSHIP

The table below provides a summary of the numerical changes in the membership of the scheme during the year.

| MEMBERSHIP MOVEMENTS                               | Number of members | Total amount (\$'000) |
|--|-------------------|-----------------------|
| MEMBERS AT 1 JULY 2018                             |                   |                       |
| Contributing members                               | 393               |                       |
| Non-contributing members                           | 131               |                       |
| <b>Total members at 1 July 2018</b>                | <b>524</b>        |                       |
| <b>Total members' accumulation at 1 July 2018</b>  |                   | <b>45,183</b>         |
| PLUS NEW MEMBERS                                   |                   |                       |
| Transfers from other schemes                       | –                 |                       |
| Other new members                                  | –                 |                       |
| <b>Total new members during the year</b>           | <b>–</b>          |                       |
| LESS EXITED MEMBERS                                |                   |                       |
| Retirement   | 18                |                       |
| Death  | –                 |                       |
| Transfers to other schemes                         | –                 |                       |
| Full withdrawals for other reasons                 | 16                |                       |
| <b>Total members exited during the year</b>        | <b>34</b>         |                       |
| MEMBERS AT 30 JUNE 2019                            |                   |                       |
| Contributing members*                              | 351               |                       |
| Non-contributing members*                          | 139               |                       |
| <b>Total members at 30 June 2019</b>               | <b>490</b>        |                       |
| <b>Total members' accumulation at 30 June 2019</b> |                   | <b>45,171</b>         |

\* Non-contributing member means a member for whom no contributions have been received in the previous two months.

## CONTRIBUTIONS

The table below provides a summary of the contributions received during the year by way of:

| CONTRIBUTION TYPE          | Number of members | Total amount (\$000) |
|----------------------------|-------------------|----------------------|
| Member contributions       | 335               | 1,188                |
| Employer contributions     | 352               | 793                  |
| <b>Total contributions</b> |                   | <b>1,981</b>         |

# CHANGES RELATING TO THE SCHEME

This section describes any material changes to the scheme's nature, investment objectives and strategy, and management during the year.

## CHANGES TO THE STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)

The SIPO was updated on 10 August 2018 to reflect:

- a change in the external fund manager for Australian equities from Arnhem Investment Management Pty Limited to Nikko AM Limited
- a change in how we invest into underlying funds for the multi-asset-class funds. Previously, each multi-asset-class fund invested directly into underlying single-asset-class funds, which each focus on investing in a single asset class. Now, each multi-asset-class fund invests into an underlying wholesale multi-asset-class fund, which gains exposure to asset classes by investing in underlying single-asset-class funds, and
- non-material changes to some investment objectives, target investment mixes and risk metrics.

The SIPO was updated on 28 June 2019 to reflect:

- the introduction of international listed infrastructure as a sub-class, within the asset class of 'Other' for the multi-asset-class funds, and the appointment of Maple-Brown Abbott Limited as the external manager of this asset sub-class
- a change to the underlying fund for the SIL Employer Cash Fund from directly held cash and cash equivalents to ANZ Wholesale Cash Fund, and
- non-material changes to some target investment mixes, fund descriptions and market indices.

## CHANGES TO THE NATURE OR SCALE OF RELATED PARTY TRANSACTIONS

There were no material changes to the nature or scale of related party transactions entered into for the scheme during the year. All related party transactions were conducted on arm's-length terms.

# OTHER INFORMATION FOR PARTICULAR TYPES OF MANAGED FUNDS

## WITHDRAWALS

The table below sets out the withdrawals made from the scheme during the year.

| WITHDRAWAL REASON                     | Number of members | Total amount (\$000) |
|---------------------------------------|-------------------|----------------------|
| Partial withdrawals*                  | 9                 | 188                  |
| Full withdrawals*                     | 16                | 1,161                |
| Death                                 | –                 | –                    |
| Retirement**                          | 28                | 3,225                |
| Transfers to other registered schemes | –                 | –                    |
| <b>Total withdrawals</b>              |                   | <b>4,574</b>         |

\* Includes hardship, permanent emigration, serious illness and other voluntary member withdrawals.

\*\* Includes partial and full retirement member withdrawals.

## UNIT PRICES

The table below sets out the unit prices for the funds at the start and end of the year.

| FUND                                    | At 30 June 2018 | At 30 June 2019 |
|---|-----------------|-----------------|
| SIL Employer Cash Fund                  | 1.2294          | 1.2450          |
| SIL Employer Conservative Fund          | 1.6926          | 1.7876          |
| SIL Employer Conservative Balanced Fund | 1.8338          | 1.9452          |
| SIL Employer Balanced Fund              | 1.9758          | 2.1053          |
| SIL Employer Balanced Growth Fund       | 2.0958          | 2.2410          |
| SIL Employer Growth Fund                | 2.2023          | 2.3569          |
| SIL Balanced Plus Fund                  | 4.4720          | 4.7887          |
| SIL New Zealand Fixed Interest Fund     | 3.0086          | 3.2251          |
| SIL New Zealand Share Fund              | 6.3511          | 7.2638          |
| SIL International Share Fund            | 3.8229          | 4.1375          |
| SIL Cash Plus Fund                      | 2.2140          | 2.2627          |



## TRUSTEE'S STATEMENT

Superannuation Investments Limited, as trustee of the scheme, confirms that:

- all the contributions required to be made to the scheme in accordance with the terms of the trust deed have been made
- all the benefits required to be paid from the scheme in accordance with the terms of the trust deed have been paid, and
- the market value of the scheme property at 30 June 2019 equalled or exceeded the total value of benefits that would have been payable had all members of the scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 30 June 2019.

# CHANGES TO PERSONS INVOLVED IN THE SCHEME

## **TRUSTEE AND MANAGER**

Superannuation Investments Limited was the trustee and manager of the scheme throughout the year.

There were no changes to the trustee and manager or any of its directors during the year.

## **AUDITOR**

KPMG was the auditor to the scheme throughout the year.

# HOW TO FIND FURTHER INFORMATION

## ON DISCLOSE

Disclose is a website that contains two registers – an offer register and a scheme register.

To find the fund updates, go to:

- **[disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)**  
Click SEARCH OFFERS and search for 'SIL Mutual Fund Employer'

To find the SIPO, trust deed and financial statements, go to:

- **[disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)**  
Click SEARCH SCHEMES and search for 'SIL Mutual Fund Employer'

## ON OUR WEBSITE

Other valuable information and resources to help you manage your investment, including transaction forms, fund performance, unit prices, and annual fund updates are available on the SIL website:

- **[silfunds.co.nz](https://silfunds.co.nz)**

You can also obtain a copy of any of the above information on request and free of charge by contacting ANZ Investments (contact details are on the next page).



# CONTACT DETAILS AND COMPLAINTS

## TRUSTEE AND MANAGER Superannuation Investments Limited

Registered office:  
c/- Dunne Consulting Group Limited  
Level 2, Unit F4  
27-29 William Pickering Drive  
Auckland 0632



09 415 7530

## INVESTMENT MANAGER ANZ New Zealand Investments Limited

ANZ Centre, 23-29 Albert Street, Auckland  
Freepost 324, PO Box 7149, Wellesley Street  
Auckland 1141



0800 736 034 or +64 9 356 4000



service@anzinvestments.co.nz

## IF YOU HAVE A COMPLAINT

For any problems or complaints, contact your financial adviser first. If you don't have a financial adviser, or your financial adviser has been unable to help you, please let ANZ Investments know using the contact details on the left. As the administration manager of the scheme, they are committed to resolving your complaint as quickly as possible.

If ANZ Investments is unable to resolve your complaint, you may choose to contact the trustee at the contact details on the left.

If you're still not satisfied, you can get free independent assistance from the following dispute resolution scheme.

## DISPUTE RESOLUTION SCHEME Insurance and Financial Services Ombudsman Scheme

81 Molesworth Street, Wellington  
PO Box 10-845  
Wellington 6143



0800 888 202



info@ifso.nz

You won't be charged a fee by ANZ Investments, the trustee or the dispute resolution scheme for investigating or resolving a complaint.

Investments in the scheme are not deposits in ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited or their subsidiaries (together **ANZ Group**), nor are they liabilities of ANZ Group. ANZ Group does not stand behind or guarantee the obligations of ANZ New Zealand Investments Limited or Superannuation Investments Limited. Investments are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. ANZ Group will not be liable to you for the capital value or performance of your investment. Your investment in the scheme is not guaranteed by ANZ Group, Superannuation Investments Limited, any of their directors or any other person.





